Economics

Content Standard 1.0: The Economic Way of Thinking: *Students will use fundamental economic concepts, including scarcity, choice, cost, incentives, and costs versus benefits to describe and analyze problems and opportunities, both individual and social.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
1.2.1 Give examples of what is given up when **choices** are made.	1.3.1 Categorize **wants** as **goods, services,** or **leisure activities.**	1.5.1 Describe how **scarcity** requires a person to make a **choice** and identify a **cost** associated with the decision.	1.8.1 Use the concept of **opportunity cost** to evaluate the tradeoffs when **choices** occur.	1.12.1 Explain why **choices** and their **costs** may differ across individuals and societies.	**Scarcity, Choice, and Cost**
	1.3.2 Give examples of **incentives** and determine whether they are positive or negative.	1.5.2 Demonstrate an understanding that people may respond to the same **incentive** in different ways because they may have different preferences.	1.8.2 Explain that self-interest is a motivational factor when people respond to **incentives**.	1.12.2 Recognizing that people act out of self-interest, predict how a change in the economic environment will affect the **choices** made by consumers, producers, and savers.	**Incentives and Preferences**
1.2.3 Give examples of all-or-nothing **choices** (e.g., choose music on or off).	1.3.3 Identify the **benefits** and the **costs** of an all-or-nothing **choice** (e.g., choose music on or off).	1.5.3 Demonstrate an understanding that choosing a little more or a little less generates either a **benefit** or a **cost**.	1.8.3 Identify the additional **benefits** and the additional **costs** that result from choosing a little more or a little less.	1.12.3 Examine decisions made by individuals, businesses, and government by comparing the **marginal benefits** and **marginal costs**.	**Cost versus Benefits**
		*1.5.4 Identify the **benefits** and **costs** of spending now versus saving for later.*	*1.8.4 Evaluate career paths by comparing **costs** and **benefits**.*	*1.12.4 Give examples of and evaluate the effectiveness of **incentive** systems used by parents, teachers, and employers.*	***Personal Economics***

Benefit: A satisfaction obtained.
Choice: A selection from a set of alternatives.
Cost: Anything given up when a **choice** is made.
Good: An object that can satisfy **wants** (e.g., a car).

Economics

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Incentive: A reward that encourages or a penalty that discourages.
Leisure Activity: An action performed by an individual that can satisfy the individual's own **wants** (e.g., skiing).
Marginal Benefit: The additional **benefit** obtained from choosing a little more or a little less.
Marginal Cost: The additional **cost** incurred by choosing a little more or a little less.
Opportunity Cost: The value of the best alternative given up when a **choice** is made.
Scarcity: A condition where human **wants** exceed available resources.
Service: An action performed by another that can satisfy **wants** (e.g., medical care).
Wants: Desires that can be satisfied by **goods, services,** or **leisure activities**. A *need* is a high priority **want**.

Content Standard 2.0: Measuring U.S. Economic Performance: *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			2.8.1 Explain **gross domestic product (GDP)** and how it is used to describe a country's economic output.	2.12.1 Explain the difference between **nominal GDP** and **real GDP.**	**Measuring Economic Growth**
	2.3.2 Identify and use **per capita** measures in the classroom, (e.g., the number of pencils per student).	2.5.2 Identify and compare **per capita** measures for the U.S. for different time periods.	2.8.2 Given data on population and **GDP** for several countries, determine their **per capita GDP**, and compare with the U.S.	2.12.2 Using **real GDP per capita** as a measure of the standard of living, describe how living standards have changed over time.	
				2.12.3 Using the change in **real GDP**, examine the U.S. economy over time, identifying **recessions** and high and low rates of growth.	
		2.5.4 Define **inflation** and **deflation** and explain how they affect individuals.	2.8.4 Use the **consumer price index (CPI)** to compare the buying power of the U.S. dollar in one year with its buying power in another year.	2.12.4 Using a **price index** to measure **inflation**, identify when the U.S. economy has experienced high and low rates of inflation and discuss their effects.	**Measuring Inflation**
				2.12.5 Use various **price indexes** to determine how the prices of different types of goods and services have changed.	

Economics

Content Standard 2.0: Measuring U.S. Economic Performance: *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
	2.3.6 Discuss why people seek work.	2.5.6 Define **employment** and **unemployment**.	2.8.6 Identify the **unemployment rate** as the percentage of people in the **labor force** who are not working, but who are actively pursuing work.	2.12.6 Explain and give examples of the costs of **unemployment** to the economy as a whole (e.g., lost income, lost tax revenue, and additional welfare burdens).	**Measuring Unemployment**
			2.8.7 Distinguish between a high rate and a low rate of **unemployment** for the U.S. economy over time.	2.12.7 Compare the **unemployment rates** for groups of people who differ by age, gender, ethnic origin, occupation, and educational attainment.	
		2.5.8 Identify and give examples of **interest rates** for borrowing and saving.	2.8.8 Explain why riskier loans command higher **interest rates** than safer loans.	2.12.8 Explain why a **real interest rate** accurately measures the benefit of saving or the cost of borrowing.	**Measuring Interest**
			2.8.9 Distinguish between high and low **interest rates** for the U.S. economy over time.	2.12.9 Demonstrate knowledge of when **interest rate** levels have experienced relative highs and relative lows throughout U.S. history and discuss their effects.	

Economics

Content Standard 2.0: Measuring U.S. Economic Performance: *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			2.8.10 *Identify career fields that are experiencing growth and career fields that are experiencing decline.*	*2.12.10* *Characterize career paths according to the rates of growth and employment.*	***Personal Economics***
				2.12.11 *Explain ways a high* ***interest rate*** *could be detrimental or beneficial* .	***Personal Economics***
				2.12.12 *Evaluate saving and borrowing options in terms of* ***interest*** *and compare long and short-term costs and benefits.*	

Consumer Price Index (CPI): An index that measures the average level of prices of goods and services typically consumed by an urban American family.
Deflation: A decrease in the general level of prices.
Employment: The condition of working for pay.
Gross Domestic Product (GDP): A monetary measure of the production of goods and services within a country.
Inflation: An increase in the general level of prices.
Interest Rate: The price (stated as a percentage) paid when money is borrowed or the price (stated as a percentage) received when money is saved.
Interest: A cost of borrowing money or a benefit of saving money.
Labor Force: The number of people who are either working, or not working and actively seeking work.
Nominal GDP: **GDP** not adjusted for the impact that **inflation** has on the buying power of money.
Per capita: Per person.
Price Index: A series of numbers that characterize how a set of prices has changed over time, where the percentage change in the **price index** provides a measure of the percentage change in the price level.
Real GDP: **Nominal GDP** adjusted for negative impact that **inflation** has on buying power.
Real Interest Rate: An **interest rate** that has been adjusted for the negative effect **inflation** has on buying power.
Recession: A period of time during which the **real GDP** of the economy is decreasing. An extreme recession is a depression.

Content Standard 2.0: Measuring U.S. Economic Performance: *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*

Unemployment Rate: The percentage of people in the **labor force** who are not working, but who are actively pursuing work.
Unemployment: The condition of being without a job, but actively pursuing one.

Economics

Content Standard 3.0: Functioning of Markets: *Students will demonstrate an understanding of how markets work, including an understanding of why markets form, how supply and demand interact to determine market prices and interest rates, and how changes in prices act as signals to coordinate trade.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
3.2.1 Demonstrate an understanding of **trade.**	3.3.1 Differentiate between **barter** and **monetary trade.**	3.5.1 Explain why **trade** must be mutually beneficial.	3.8.1 Give examples of **markets** in which people benefit from trade.	3.12.1 Demonstrate an understanding that all voluntary **trade**, by definition, benefits both parties.	**Trade is Beneficial**
3.2.2 Give examples of **prices** people have paid when buying goods and services.	3.3.2 Give examples of **prices** received for selling goods and services.	3.5.2 Demonstrate an understanding of **supply** and **demand** in a **market.**	3.8.2 Explain how **supply** and **demand** function to determine **market prices**.	3.12.2 Use the concepts of **supply** and **demand** to analyze and predict the **price** changes occurring in **markets** for goods and services.	**Markets Determine Prices**
3.2.3 Explain why consumers choose to buy more when a **price** is low and why consumers choose to buy less when a **price** is high.	3.3.3 Explain why producers choose to sell more when a **price** is high and why producers choose to sell less when a **price** is low.	3.5.3 Contrast the effects of **price** changes on the behavior of buyers and sellers.	3.8.3 Explain why buyers **demand** less yet sellers **supply** more when **prices** go up.	3.12.3 Use the concept of **price elasticity** to analyze how buyers and sellers might adjust their purchase and sales decisions in response to **price** changes.	**Prices as Signals**
			3.8.4 Explain why buyers **demand** more yet sellers **supply** less when **prices** go down.	3.12.4 Discuss the effects of **price controls** (price ceilings and price floors) (e.g., minimum wage, rent control.).	
				3.12.5 Use **supply** and **demand** to explain how **interest rates** are determined.	**Determining Interest Rates**

Economics

Content Standard 3.0: Functioning of Markets: *Students will demonstrate an understanding of how markets work, including an understanding of why markets form, how supply and demand interact to determine market prices and interest rates, and how changes in prices act as signals to coordinate trade.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			3.8.6 *Identify instances in which people might pay interest or receive interest.*	*3.12.6* *Analyze and predict instances in which people pay high and low* ***interest rates*** *(e.g., car loans and credit cards).*	***Personal Economics***
			3.8.7 *Explain the factors that should be considered when making individual purchasing decisions, given changes in prices.*	*3.12.7* *Analyze family spending decisions, drawing conclusions about the desirability of making substitutions, given the relative* ***prices*** *of various substitutes.*	

Barter: Direct trading of goods and services between people without using money.
Demand: (n.) The quantity of a good or service that buyers are willing to buy.
(v.) To offer to buy goods and services.
Interest Rate: The **price** (stated as a percentage) paid when money is borrowed or the **price** (stated as a percentage) received when money is saved.
Market: A collection of buyers and sellers of a particular good or service.
Monetary Trade: A **trade** in which money is used to pay for a good or service.
Price: Amount that must be paid for one unit of a good or service.
Price Control: A governmental action that sets **price** or limits changes in the **price**. A **price** ceiling is a limit above which no price can go. A **price** floor is a limit below which no price can go.
Price Elasticity: The percentage change in quantity bought or sold that results from a one-percent change in **price**.
Supply: (n.) The quantity of a good or service that sellers are willing to sell.
(v.) To offer to sell goods and services.
Trade: Voluntarily to exchange goods, services, or money for other goods, services, or money.

Economics

Content Standard 4.0: Private U.S. Economic Institutions: *Students will describe the roles played by various U.S. economic institutions, including, but not limited to, financial institutions, labor unions, corporations, and not-for-profit organizations.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
4.2.1 Identify reasons people use **banks**.	4.3.1 Demonstrate an understanding of key banking terms, including **saving**, **interest**, and **borrowing**.	4.5.1 Identify financial institutions.	4.8.1 Explain the purposes and functions of financial institutions (e.g., to channel funds from savers to borrowers).	4.12.1 Analyze the roles of financial institutions in creating credit.	**Financial Institutions**
		4.5.2 Provide examples of **labor unions**.	4.8.2 Explain the purposes and functions of **labor unions** (e.g., collective bargaining).	4.12.2 Discuss how **labor unions** affect employees and employers.	**Labor Unions**
	4.3.3 Identify a for-profit organization in the community and a service it provides.	4.5.3 Explain the purposes for establishing for-profit organizations.	4.8.3 Explain the advantages and disadvantages of each of the three primary forms of business organizations: **sole proprietorship**, **partnership**, and **corporation**.	4.12.3 Identify current or historical mergers, buyouts, and acquisitions.	**For-profit Business Organizations**
	4.3.4 Identify a not-for-profit organization in the community and a service it provides.	4.5.4 Explain the purposes for establishing not-for-profit organizations.	4.8.4 Explain why not-for-profit organizations are tax exempt.	4.12.4 Explain how the services of not-for-profit organizations impact other economic institutions.	**Not-for-profit Organizations**
	4.3.5 *Identify reasons for **saving** money.*	*4.5.5* *Identify the rewards and risks of **saving** money in financial institutions.*	*4.8.5* *Compare the rewards and risks of **saving** and **borrowing** money with several types of financial institutions.*	*4.12.5* *Compare and contrast the services offered by financial institutions, evaluating their usefulness to borrowers and lenders.*	***Personal Economics***

Economics

Content Standard 4.0: Private U.S. Economic Institutions: *Students will describe the roles played by various U.S. economic institutions, including, but not limited to, financial institutions, labor unions, corporations, and not-for-profit organizations.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			4.8.6 *Investigate careers associated with financial institutions, labor unions, for-profit business organizations, and not-for-profit organizations.*	*4.12.6* *Compare and contrast careers associated with financial institutions, labor unions, for-profit business organizations, and not-for-profit organizations.*	***Personal Economics***

Bank: A for-profit financial institution that accepts checking and **savings** deposits, and grants loans.
Borrowing: Contracting to receive money that must be paid back with **interest**.
Corporation: A business with multiple owners, where it and its officers are individually liable, but all owners (shareholders/stockholders) are not.
Interest: A cost of **borrowing** money or the benefit of **saving** money.
Labor Union: A group of workers who join together to affect wage rates and working conditions.
Partnership: A business with multiple owners, where the owners share liability.
Saving: Not spending income on consumption.
Sole Proprietorship: A business that has a single owner, where the owner is individually liable.

Economics

Content Standard 5.0: Money: *Students demonstrate an understanding of various forms of money, how money makes it easier to trade, borrow, save, invest, and compare the value of goods and services; and how the Federal Reserve System and its policies affect the U.S. money supply.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
5.2.1 Explain what **money** is and how it is used.	5.3.1 Identify forms of **money**.	5.5.1 Explain why it is easier for people to save and trade using **money** rather than using other **commodities**.	5.8.1 Illustrate how prices stated in **money** terms help people compare the value of prod-ucts.	5.12.1 Explain the three functions of **money**: **medium of ex-change, store of value, unit of account.**	**Functions of Money**
				5.12.2 Explain why the **money supply** increases when banks make loans.	**The Federal Reserve and the Banking System**
				5.12.3 Explain how the Federal Reserve influences bank loan activity using the **re-serve requirement**, **dis-count rate,** and **open mar-ket operations.**	
		5.5.4 Identify forms of **money** used in the U.S. prior to the 20^{th} century.	5.8.4 Describe the transition from the use of **commodities** as **money** to the use of modern forms of **money**.	5.12.4 Describe the nation's cur-rent **money supply** meas-ures, including **M1** and **M2**.	**History of Money**
	5.3.5 *Demonstrate an understand-ing that each family has a limited amount of **money** regardless of how it is ac-cessed (through cash, check writing, or ATM).*	*5.5.5* *Give examples of purchases made using **credit**.*	*5.8.5* *Identify pros and cons of paying with cash versus using **credit**.*	*5.12.5* *Explain what a **credit** rating is and how it affects access to money.*	***Personal Economics***

Economics

Content Standard 5.0: Money: *Students demonstrate an understanding of various forms of money, how money makes it easier to trade, borrow, save, invest, and compare the value of goods and services; and how the Federal Reserve System and its policies affect the U.S. money supply.*

Commodity: An object that can be used as money, but also have value of their own.
Credit: The act of borrowing money or purchasing goods over time.
Discount rate: The interest rate that banks must pay when they borrow from the Federal Reserve.
M1: Coins, currency, and checking account deposits.
M2: **M1** plus short-term savings accounts deposits and other various short term deposits.
Medium of Exchange: Something used to facilitate exchange.
Money Supply: Currency, coins, and checking account deposits.
Money: Anything widely accepted as a final payment for goods and services, including currency, coins, or checks. Credit cards, while accepted for payment, are not a final form of payment. Credit card loans are short-term loans, not money.
Open Market Operations: Purchases and sales of financial assets (e.g., government bonds) by the Federal Reserve.
Reserve Requirements: The percentage of deposits that commercial banks must hold to meet withdrawal demands.
Store of Value: Something used to transfer buying power into the future.
Unit of Account: Something used to measure value.

Economics

Content Standard 6.0: The U.S. Economy as a Whole: *Students will demonstrate an understanding of the U.S. economic system as a whole in terms of how it allocates resources; determines the nation's production, income, unemployment, and price levels; and leads to variations in individual income levels.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
		6.5.1 Discuss the **resources** needed for production in households, schools, and community groups.	6.8.1 Explain ways in which households, schools, or community groups allocate **resources**.	6.12.1 Compare the benefits and costs of allocating **resources** through markets or government.	**Resource Allocation**
6.2.2 Explain what a **consumer** does.	6.3.2 Explain what a **producer** does.	6.5.2. Demonstrate an understanding that an individual can be both a **consumer** and a **producer**.	6.8.2 Explain how **consumer** and **producer** reactions to price changes affect **resource** allocation.	6.12.2 Discuss how an economy determines what goods and services will be produced, how they will be produced, and who will receive them.	
		6.5.3 Recognize the three types of productive **resources**: natural (e.g., minerals) human (e.g., educated workers) and capital (e.g., machinery.)	6.8.3 Explain how the current utilization of a productive **resource** affects the availability of that **resource** in the future.	6.12.3 Analyze the potential production of goods and services for a nation as determined by its **resources** and **technology**.	**The Nation's Production Level**
	6.3.4 Demonstrate an understanding of income and give examples of income.	6.5.4 Illustrate how one person's spending becomes another person's income.	6.8.4 Explain the **circular flow of economic activity.**	6.12.4 Use the **multiplier** concept to explain why an initial change in spending (by consumers, firms, or governments) can result in a larger change in national income.	**The Nation's Income Level**

Economics

Content Standard 6.0: The U.S. Economy as a Whole: *Students will demonstrate an understanding of the U.S. economic system as a whole in terms of how it allocates resources; determines the nation's production, income, unemployment, and price levels; and leads to variations in individual income levels.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
		6.5.5 Identify factors within an individual's control that can affect the likelihood of being employed.	6.8.5 Identify factors that can affect an individual's likelihood of being unemployed.	6.12.5 Make connections between the nation's **unemployment rate** and changes in seasons, changes in an industry, and changes in demographics.	**The Nation's Unemployment Rate**
6.2.6 Give examples of ways people earn money by working.	6.3.6 Demonstrate an understanding that different jobs require different skills and people receive different levels of income.	6.5.6 Describe how income reflects choices people make about education, training, skill development, lifestyle, and careers.	6.8.6 Explain that the wage an individual earns is affected by his or her productivity and by the market value of the goods or services he or she produces.	6.12.6 Explain how and why changes in product demand can affect the price of the product, which in turn can affect the wages paid to a worker.	**Differences in Individual Incomes**
			6.8.7 *Identify a career path of interest and explain how the associated earnings are affected by the market.*	*6.12.7* *Assess the attractiveness of career paths of interest and how they might be affected by changes in the national economy.*	***Personal Economics***

Circular Flow of Economic Activity: A descriptive model that shows that households pay businesses for goods and services; businesses pay households for productive **resources** (natural, human, capital); both households and businesses pay taxes to the government so government can provide public services.
Consumer: A person who buys and uses goods and services.
Multiplier: The total spending generated from an initial one dollar spent.
Producer: A person who combines natural, human, and/or capital **resources** to make goods or provide services.
Resource: In economics, a natural, human, and capital factor utilized in the production of goods and services.
Technology: In economics, the pool of existing knowledge.
Unemployment Rate: The percentage of people in the labor force who are not working, but are seeking work.
Unemployment: The condition of being without a job, but actively pursuing one.

Economics

Content Standard 7.0: An Evolving Economy: *Students will demonstrate an understanding of how investment, entrepreneurship, competition, and specialization lead to changes in an economy's structure and performance.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
7.2.1 Explain how tools and machinery may help a person work faster or better, or make a person's work easier.	7.3.1 Explain how skill training and education can enhance the ability to produce goods and services.	7.5.1 Provide an example of how purchasing a tool or acquiring education can be an **investment**.	7.8.1 Explain how **investment** improves standards of living by increasing productivity.	7.12.1 Describe the past, present, and future role of **investment** in enhancing economic growth and raising living standards.	**Investment**
				7.12.2 Identify the benefits and the costs of investing in new **physical capital** and new **human capital.**	
				7.12.3 Examine government's impact on **investment** through taxes, fees, government regulation, enterprise zones, and subsidies.	
7.2.4 Give examples of **inventions**.	7.3.4 List examples of **entrepreneurs**.	7.5.4 Describe the characteristics of an **entrepreneur.**	7.8.4 Describe the advantages and disadvantages of being an **entrepreneur**.	7.12.4 Discuss how **entrepreneurs** affect the economy by solving problems, taking risks, and taking advantage of opportunities to earn profits.	**Entrepreneurship**
	7.3.5 Describe what it means to compete.	7.5.5 Give examples of ways sellers compete.	7.8.5 Illustrate how **competition** among sellers decreases prices, while **competition** among buyers increases prices.	7.12.5 Explain how individual self-interest, channeled through the marketplace, can increase the overall standard of living.	**Competition**

Economics

Content Standard 7.0: An Evolving Economy: *Students will demonstrate an understanding of how investment, entrepreneurship, competition, and specialization lead to changes in an economy's structure and performance.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
		7.5.6 Explain why **specialization** increases productivity and **interdependence**.	7.8.6 Give examples of how **specialization** is facilitated by trade.	7.12.6 Discuss the pros and cons of **specialization** and **interdependence**.	**Specialization**
		*7.5.7 Describe the steps an **entrepreneur** would take to start a business.*	*7.8.7 Give examples of ways **investment** can improve students performance in school, sports, etc.*	*7.12.7 Explain why top performers in any field are specialists.*	***Personal Economics***

Competition: The rivalry among sellers and rivalry among buyers in a market.
Entrepreneur: An individual who creatively combines resources to produce a good or service.
Human Capital: The existing stock of education and training.
Interdependence: The need for individuals and firms to rely on each other as a result of **specialization**.
Invention: A new process, technique, or new product.
Investment: An expenditure or activity that is intended to increase the productive capacity of the economy. (The word *investment* is also commonly used to describe an act of saving that leads to an increase in value, an act that is referred to as *saving* in this document.)
Physical Capital: The existing stock of tools and machinery.
Specialization: The concentration of effort on only one task or a few tasks.

Economics

Content Standard 8.0: The Role of Government in a Market Economy: *Students will explain the role of government in a market economy.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			8.8.1 Give examples of the kinds of goods and services that government provides.	8.12.1 Explain why government provides **public goods** rather than allowing the market to provide them.	**Public Goods**
			8.8.2 Give examples of activities that benefit participants, yet harm non-participants.	8.12.2 Explain why government intervenes in markets in response to **externalities**.	**Externalities**
			8.8.3 Identify methods by which government redistributes income.	8.12.3 Discuss whether redistributing income is an appropriate role of government.	**Redistributing Income**
			8.8.4 Give examples of ways government protects property.	8.12.4 Demonstrate an understanding that government must define, establish, and enforce **property rights** in order for markets to function.	**Property Rights**
				8.12.5 Explain why it is possible that a government decision may impose costs on many, but only benefit a few.	**Political Decisions**

Economics

Content Standard 8.0: The Role of Government in a Market Economy: *Students will explain the role of government in a market economy.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
				8.12.6 Explain how **fiscal policy** affects production, employment, and price levels (e.g., the effects of changes in government spending and taxation).	**Fiscal Policy**
		8.5.7 Give examples of items for which a sales tax is charged and items for which a sales tax is not charged.	*8.8.7 Describe how paying sales, property, and income taxes affects the amount of money an individual has available for spending.*	*8.12.7 Give examples of* ***mandates*** *that increase prices of goods and services in Nevada.*	***Personal Economics***

Externality: A positive effect (e.g., a benefit of immunization programs, accruing to those not immunized) or a negative effect, (e.g., health care cost due to industrial pollution) generated by an activity that impacts people who do not participate in the activity.
Fiscal Policy: Federal government actions related to government spending and/or taxation.
Mandate: Government requirement.
Property Rights: The right to exclude others from using a good or service and the right to transfer ownership of a resource.
Public Good: A good or service whose consumption by one individual does not prevent its consumption by other individuals.

Economics

Content Standard 9.0: The International Economy: *Students explore the characteristics of non-U.S. economic systems in order to demonstrate an understanding of how they are connected, through trade, to peoples and cultures throughout the world.*

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Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students are able to do everything required in earlier grades and:	
	9.3.1 Give examples of goods the U.S. **imports** and **exports**.	9.5.1 Explain why the U.S. **imports** and **exports** goods.	9.8.1 Explain how governments use **tariffs** or **quotas** to restrict trade.	9.12.1 Analyze the pros and cons of foreign trade, comparing free trade with restricted trade.	**International Trade**
	9.3.2 Identify the countries of origin of commonly used products.	9.5.2 Describe how the exchange of goods and services around the world creates **interdependence** among people in different places (e.g., the production of a candy bar requires ingredients from different countries around the world).	9.8.2 Describe how economic **interdependence** among countries affects standards of living in those countries.	9.12.2 Describe how foreign economic events can impact the U.S. economy.	**Interdependence**
				9.12.3 Describe some characteristics of non-U.S. economies that affect international trade.	**Characteristics of Non-U.S. Economic Systems**
	9.3.4 Identify the currencies of other countries.	9.5.4 Give the value of the U.S. dollar in terms of the currencies of other countries.	9.8.4 Compute prices of U.S. products in terms of other countries' currencies.	9.12.4 Determine how a change in **exchange rates** affects the ability of residents of one country to consume products from other countries.	**Exchange Rates**
			9.8.5 *Identify goods that would not be readily available in U.S. stores if there were no international trade.*	*9.12.5* *Draw conclusions about how the prices of goods you purchase would change if imports were restricted.*	***Personal Economics***

Content Standard 9.0: The International Economy: *Students explore the characteristics of non-U.S. economic systems in order to demonstrate an understanding of how they are connected, through trade, to peoples and cultures throughout the world.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students are able to do everything required in earlier grades and:	
				9.12.6 *Discuss how potential career paths could be affected by changes in foreign demand for U.S. products.*	***Personal Economics***

Exchange Rate: The price of one country's currency in terms of another country's currency.
Export: Good or service produced domestically and sold abroad.
Import: Good or service produced abroad and sold domestically.
Interdependence: The need for individuals and firms to rely on each other as a result of **specialization**.
Quota: A limit on the quantity of a good that may be imported in a given time period.
Tariff: A tax or duty imposed on imported goods.